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WISCONSIN ECONOMIC INDICATORS

MAY 1986



DILHR

DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

INDICATOR	SOURCE
L1 Composite Index of Leading Indicators	Wis. Dept. of Industry, Labor and Human Relations
L2 Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3 Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4 Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5 Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6 New Business Incorporations	Wisconsin Secretary of State
L7 Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8 Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1 Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2 Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3 Natural Gas Sales	Wisconsin Public Service Commission
C4 New Car Registrations	Wis. Department of Transportation
C5 Electric Power Sales	Wisconsin Public Service Commission
C6 Total Securities Registrations	Wisconsin Commissioner of Securities
C7 Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8 Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9 Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10 Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1 Birth Registrations	Wis. Department of Health and Social Services
X2 Death Registrations	Wis. Department of Health and Social Services
X3 Natural Net Gain in Population	Wis. Department of Health and Social Services
X4 Marriage Registrations	Wis. Department of Health and Social Services
X5 Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6 Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7 Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8 Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9 Unemployment Compensation Exhaustees	Wis. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism.

THE WISCONSIN ECONOMY

SUMMARY FOR APRIL

WEAKER THAN NORMAL LABOR FORCE GROWTH LED TO A LARGER THAN USUAL DECREASE OF UNEMPLOYMENT. EMPLOYMENT GREW BY OVER 30 THOUSAND...SLIGHTLY LESS THAN NORMAL FOR APRIL.

WHILE SOME LEADING INDICATORS OF ECONOMIC ACTIVITY SHOWED A NEGATIVE TREND, THE SETBACKS WERE SMALL. THE POSITIVE GAINS, ON THE OTHER HAND, WERE LARGE AND OVER POWERED THE LOSSES. THAT RESULTED IN A LARGE GAIN IN THE COMPOSITE INDEX OF LEADING INDICATORS FOR APRIL.

LEADING INDICATORS

The average number of hours spent on the job by production workers decreased in April. The 0.3 hour per week reduction is normal for this month. When adjusted for seasonal factors, the average workweek in manufacturing is right on the usual trend for the March-to-April period.

Contributing to the leaner workweek is a dip in the average overtime hours per week in April. Offsetting the shorter workweek is an increase in manufacturing employment. The increased employment, too, follows the normal April seasonal pattern.

The number of laid-off workers making initial claims for unemployment compensation decreased. The average weekly initial claims level typically decreases in April, but this year's decrease is larger than the normal seasonal decline.

The number of job openings received by Job Service offices throughout the state jumped up by over 50 percent during April. Employers usually do place more calls for workers this month, but this April's increase is extremely large even when considering the seasonal growth pattern. Job openings received had been below par during the first quarter of the year, so this month's growth may represent a delayed hiring by employers who took a

wait-and-see perspective of this year's economic situation.

New business incorporations increased in April to the highest level in 15 months. The growth of monthly incorporations well exceeds seasonal expectations.

The net gain of business telephone access lines installed also grew in April, but at just slightly less than the seasonal pattern.

The number of building plans examined by state officials increased at above the seasonal rate. The plans include industrial and commercial buildings only; and are examined for conformity to building safety codes.

WISCONSIN LABOR FORCE

Employment throughout Wisconsin grew from mid-March to mid-April. The growth was large; the number employed increased by over 30 thousand. The growth, however, is attributable to the normal seasonal increase for April. In fact, had employment growth followed the seasonal trend exactly, employment would have grown by about 5 thousand more.

The number of unemployed job seekers, at the same time, decreased by nearly 25 thousand. And that is a greater-than-normal decrease for April. A strong decrease of unemployment can occur with a weaker-than-normal employment growth. What causes it is very slow labor force growth.

While labor force growth one year ago amounted to only 3 thousand, the labor force since 1976 has increased by an average of 16 thousand in April. Large labor force growth in the late 1970's and early 1980's resulted from the large baby-boom population turning labor force age. The succeeding birth decline is beginning to result in slower labor force growth.

A

WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.	
		Latest Month		Mo/Ago	Yr/Ago	Mo/Ago	Yr/Ago	1985
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	104.3	Apr	97.9	78.4	6.5	33.0	84.3
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	40.9	Apr	41.2	40.1	-0.7	2.0	41.1
Seasonally Adjusted		41.4		41.4	40.5	0.0	2.2	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	3.3	Apr	3.5	2.8	-5.7	17.9	3.3
Seasonally Adjusted		3.7		3.8	3.2	-2.6	15.6	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	8,155	Apr	8,470	10,873	-3.1	-25.0	10,380
Seasonally Adjusted		8,246		8,705	10,989	-5.3	-25.0	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	8,740	Apr	5,698	7,780	53.4	12.3	8,228
Seasonally Adjusted		9,459		6,282	8,421	50.6	12.3	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	625	Apr	536	507	16.6	23.3	542
Seasonally Adjusted		603		508	489	18.7	23.3	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	1,398	Apr	960	1,471	45.6	-5.0	1,356
Seasonally Adjusted		2,177		2,316	1,085	-6.0	100.6	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	689	Apr	469	498	46.9	38.4	526
Seasonally Adjusted		677		583	489	16.1	38.4	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	56	Apr	57	50	-1.8	12.0	55
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	7.3	Apr	8.4	7.7	-	-	7.2
Seasonally Adjusted		6.9		7.1	7.3	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	310.7	Mar	394.6	318.5	-21.3	-2.4	252.9
Seasonally Adjusted		226.8		257.9	232.5	-12.1	-2.5	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	18,061	Apr	12,606	14,712	43.3	22.8	16,697
Seasonally Adjusted		17,865		13,382	14,553	33.5	22.8	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1911.2	Mar	1798.0	1861.8	6.3	2.7	1893.9
Seasonally Adjusted		1875.6		1890.6	1827.5	-0.8	2.6	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	300.8	Apr	145.8	49.6	106.3	506.5	131.3
Seasonally Adjusted		462.8		153.5	76.4	201.5	505.8	

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WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.	
		Latest Month		Mo/Ago	Yr/Ago	Mo/Ago	Yr/Ago	1985
C7 MANUFACTURING EMPL.								
Unadjusted	THOUS.	512.3	Apr	509.7	506.9	0.5	1.1	515.2
Seasonally Adjusted		520.6		520.6	514.9	0.0	1.1	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	424.95	Apr	430.54	409.82	-1.3	3.7	421.57
Seasonally Adjusted		428.81		429.25	413.41	-0.1	3.7	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	341.9	Feb	411.6	393.9	-16.9	-13.2	421.0
Seasonally Adjusted		376.1		393.1	433.3	-4.3	-13.2	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS.	60.3	Apr	54.3	56.6	11.0	6.5	62.8
Seasonally Adjusted		68.5		68.0	64.3	0.7	6.5	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	NUMBER	5,667	Apr	6,169	6,500	-8.1	-12.8	6,141
Seasonally Adjusted		5,594		6,301	6,419	-11.2	-12.9	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	3,277	Apr	3,864	3,443	-15.2	-4.8	3,475
Seasonally Adjusted		3,330		3,785	3,499	-12.0	-4.8	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	2,390	Apr	2,305	3,057	3.7	-21.8	2,666
Seasonally Adjusted		2,359		2,575	3,016	-8.4	-21.8	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	2,000	Apr	1,599	2,213	25.1	-9.6	3,360
Seasonally Adjusted		2,497		3,057	2,764	-18.3	-9.7	
X5 CONSUMER PRICE INDEX (MILW.)								
Unadjusted	INDEX	329.1	Mar	333.9	316.8	-1.4	3.9	330.5
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	126	Apr	129	134	-2.3	-6.0	133
Seasonally Adjusted		125		127	133	-1.6	-6.0	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES								
Unadjusted	NUMBER	1,154	Apr	38	-1,069	2936.8	208.0	1,615
Seasonally Adjusted		1,039		1,097	1,685	-5.3	-38.3	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	NUMBER	0	Apr	0	104	0.0	-100.0	450
Seasonally Adjusted		0		0	113	0.0	-100.0	
X9 UNEMPL. COMPENSATION EXHAUSTEES								
Unadjusted	NUMBER	28,687	Apr	26,941	27,716	6.5	3.5	26,616
Seasonally Adjusted		25,751		26,968	24,872	-4.5	3.5	

B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES APRIL	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
<i>Unadjusted</i>					
CIVILIAN LABOR FORCE	2357.3	2351.4	2361.7	0.3	-0.2
Employment (Inc. Labor Disputes)	2185.6	2154.9	2179.9	1.4	0.3
Unemployment	171.7	196.5	181.8	-12.6	-5.6
Unemployment Rate	7.3	8.4	7.7	-	-
<i>Seasonally Adjusted</i>					
CIVILIAN LABOR FORCE	2368.7	2379.1	2371.7	-0.4	-0.1
Employment (Inc. Labor Disputes)	2205.4	2210.2	2198.9	-0.2	0.3
Unemployment	163.2	169.0	172.8	-3.4	-5.6
Unemployment Rate	6.9	7.1	7.3	-	-

WISCONSIN EMPLOYMENT ESTIMATES APRIL	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	1993.2	1967.2	1950.4	1.3	2.2
<i>Unadjusted</i>					
Manufacturing	512.3	509.7	506.8	0.5	1.1
Mining	2.5	1.7	2.1	47.1	19.0
Contract Construction	60.3	54.3	56.6	11.0	6.5
Transportation and Public Utilities	94.9	93.4	93.4	1.6	1.6
Elec., Gas and Sanitary Services	17.2	17.3	17.1	-0.6	0.6
Wholesale Trade	96.9	95.7	97.9	1.3	-1.0
Retail Trade	364.0	355.2	354.3	2.5	2.7
General Merchandise	46.3	46.0	47.2	0.7	-1.9
Finance, Insurance and Real Estate	106.5	105.3	102.9	1.1	3.5
Banking	28.5	28.4	27.8	0.4	2.5
Insurance	35.2	34.9	34.2	0.9	2.9
Service and Miscellaneous	423.0	418.7	409.4	1.0	3.3
Hospitals	66.0	65.8	66.7	0.3	-1.0
Private Education	24.5	24.5	25.0	0.0	-2.0
Government	332.9	333.2	326.9	-0.1	1.8
State Government	85.9	85.4	84.2	0.6	2.0
Local Government	218.7	219.8	215.6	-0.5	1.4

UNITED STATES LABOR FORCE ESTIMATES APRIL	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
<i>Seasonally Adjusted</i>					
CIVILIAN LABOR FORCE	117,234	117,207	115,256	+0.0	1.7
Employment	108,892	108,788	106,872	0.1	1.9
Unemployment	8,342	8,419	8,384	-0.9	-0.5
Unemployment Rate	7.1	7.2	7.3	-	-

MANUFACTURING EMPLOYMENT (Unadjusted) APRIL	(In Thousands)		
	Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	512.3	509.7	506.8
All Manufacturing (Excluding Canning)	504.7	502.4	499.0
Durable Goods	316.9	315.3	315.5
Lumber and Wood Prod., (Except Furniture)	23.2	23.0	21.9
Sawmills and Planning Mills	3.4	3.3	3.3
Millwork, Veneer, Plywood & Prefab. Wood Prod.	10.8	10.9	10.2
Furniture and Fixtures	10.0	10.0	9.9
Household Furniture	4.5	4.4	4.3
Stone, Clay and Glass Products	7.9	7.1	7.5
Concrete, Gypsum and Plaster Products	3.9	3.1	3.4
Primary Metal Industries	19.1	18.9	19.4
Iron and Steel Foundries	10.3	9.9	10.6
Fabricated Metal Products	52.0	51.4	51.4
Heating Equipment (Except Electrical) & Plumbing Fixtures	5.8	5.8	6.2
Fabricated Structural Metal Products	12.4	12.3	12.4
Metal Stampings	10.9	10.8	11.1
Machinery (Except Electrical)	102.0	101.8	100.6
Engines and Turbines	19.2	19.2	19.0
Farm Machinery and Equipment	12.7	12.6	12.4
Const., Min. & Material Handling Mach. & Equip.	11.1	11.1	11.7
Metalworking Machinery and Equipment	11.5	11.7	11.4
Special Industry Machinery (Except Metalworking)	12.8	12.7	12.5
General Industrial Machinery and Equipment	13.6	13.6	14.0
Service Industry Machines	7.1	7.1	7.4
Electrical Machinery, Equipment and Supplies	49.2	49.2	49.8
Electrical Industrial Apparatus	17.3	17.3	17.4
Household Appliances	6.2	6.3	6.6
Transportation Equipment	32.2	32.4	33.4
Motor Vehicles and Equipment	24.5	24.7	27.3
Instruments and Related Products	11.5	11.4	11.5
Miscellaneous Manufacturing	10.0	10.1	10.1
Nondurable Goods	195.3	194.4	191.3
Food and Kindred Products	56.2	56.3	55.8
Meat Products	13.9	14.1	13.3
Dairy Products	16.6	16.8	16.3
Canning and Preserving	7.5	7.3	7.8
Bakery Products	4.1	4.1	4.1
Beverage Industries	7.7	7.7	8.0
Textile Mill Products	4.0	3.8	4.2
Knitting Mills	3.3	3.1	3.4
Apparel and Other Finished Products	6.5	6.4	6.0
Paper and Allied Products	48.3	47.9	47.4
Pulp and Paper Mills	29.5	29.3	29.3
Converted Paper and Paperboard Products	10.7	10.7	10.0
Paperboard Containers and Boxes	6.6	6.5	6.6
Printing, Publishing and Allied Industries	38.7	38.5	37.8
Newspapers	12.0	12.0	11.7
Commercial Printing	17.1	16.9	16.5
Chemicals and Allied Products	9.9	9.8	9.9
Rubber and Misc. Plastics Products	24.5	24.5	22.3
Miscellaneous Plastics Products	20.1	20.0	17.6
Leather and Leather Products	6.8	6.6	7.6
Leather Tanning and Finishing	1.7	1.7	2.1
Footwear (Except Rubber)	3.5	3.3	3.9
Other Nondurable Goods	-	-	-

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS (Unadjusted) APRIL	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	\$425	\$431	\$410	40.9	41.2	40.1
All Manufacturing (Excl. Canning)	427	432	412	40.9	41.2	40.2
Durable Goods	433	442	419	41.0	41.5	40.0
Lumber/Wood Prod. (Exc. Furn.)	310	312	311	38.9	39.2	40.8
Furniture and Fixtures	325	317	298	41.9	40.7	41.4
Stone, Clay and Glass Products	407	408	396	42.3	41.7	41.3
Primary Metal Industries	418	426	414	42.1	42.7	41.5
Iron and Steel Foundries	419	428	416	42.3	42.9	41.1
Fabricated Metal Products	415	416	397	40.2	40.4	39.3
Fab. Structural Metal Prod.	437	423	421	41.3	41.0	41.9
Metal Stampings	428	435	373	39.7	39.9	36.9
Machinery (Except Electrical)	494	504	479	42.3	42.8	41.3
Engines and Turbines	560	585	520	42.8	43.5	40.9
Farm Machinery and Equip.	524	524	514	41.2	41.4	41.1
Const. and Related Mach.	462	471	472	42.5	43.1	40.8
Metalworking Mach. and Equip.	531	529	520	43.7	43.4	42.9
Spec. Ind. Mach. (Exc. Metal)	494	500	483	42.4	42.9	42.8
Gen. Industrial Mach. and Equip.	502	503	493	41.1	41.1	41.0
Electrical Mach., Equip. and Supp.	402	405	392	40.3	40.5	39.2
Electrical Industrial Apparatus	422	422	416	40.3	40.3	40.0
Transportation Equipment	544	576	504	40.6	42.1	36.5
Instruments and Related Prod.	362	361	341	40.5	40.1	38.7
Nondurable Goods	411	412	394	40.7	40.8	40.3
Food and Kindred Products	388	389	373	39.9	40.1	39.1
Meat Products	347	365	319	39.3	40.5	38.0
Dairy Products	390	385	389	39.7	39.4	40.6
Textile Mill Products	321	315	283	41.3	40.0	39.7
Apparel and Other Fin. Prod.	236	234	243	37.7	38.3	38.7
Paper and Allied Products	533	534	509	44.8	44.5	44.7
Pulp and Paper Mills	579	580	554	46.1	45.6	46.2
Printing, Pub. and Allied Prod.	424	421	405	38.6	38.7	37.7
Chemicals and Allied Products	453	462	443	40.1	41.7	40.7
Rubber and Misc. Plastics Prod.	321	325	314	39.3	39.5	38.7
Leather and Leather Products.	243	257	260	36.5	38.4	39.8

WISCONSIN DEPARTMENT OF INDUSTRY, LABOR AND HUMAN RELATIONS
in cooperation with BUREAU OF LABOR STATISTICS, U.S. DEPARTMENT OF LABOR

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS (Unadjusted)	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
APRIL						
All Manufacturing (Incl. Canning)	10.39	10.45	10.22	9.98	10.00	9.88
All Manufacturing (Excl. Canning)	10.43	10.48	10.25	10.02	10.04	9.92
Durable Goods	10.57	10.66	10.48	10.21	10.25	10.19
Lumber/Wood Prod. (Exc. Furn.)	7.96	7.95	7.63	7.80	7.76	7.56
Furniture and Fixtures	7.75	7.79	7.20	7.45	7.52	7.08
Stone, Clay and Glass Products	9.62	9.78	9.58	9.37	9.52	9.40
Primary Metal Industries	9.92	9.98	9.97	9.51	9.51	9.63
Iron and Steel Foundries	9.90	9.98	10.11	9.55	9.62	9.78
Fabricated Metal Products	10.32	10.30	10.09	9.97	9.96	9.75
Fab. Structural Metal Prod.	10.58	10.32	10.04	10.09	9.97	9.64
Metal Stampings	10.77	10.90	10.12	10.49	10.58	9.96
Machinery (Except Electrical)	11.67	11.78	11.60	11.22	11.25	11.26
Engines and Turbines	13.08	13.45	12.71	12.42	12.59	12.26
Farm Machinery and Equip.	12.72	12.65	12.50	12.37	12.30	12.20
Const. and Related Mech.	10.86	10.92	11.56	10.58	10.61	11.39
Metalworking Mech. and Equip.	12.16	12.18	12.12	11.58	11.62	11.67
Spec. Ind. Mach. (Exc. Metal)	11.65	11.66	11.28	11.12	11.04	10.77
Gen. Industrial Mach. and Equip.	12.22	12.25	12.02	11.71	11.76	11.73
Electrical Mach., Equip. and Supp.	9.98	10.00	10.01	9.73	9.70	9.81
Electrical Industrial Apparatus	10.46	10.46	10.39	10.26	10.23	10.20
Transportation Equipment	13.39	13.69	13.81	12.98	13.17	13.38
Instruments and Related Prod.	8.95	8.99	8.81	8.77	8.77	8.73
Nondurable Goods	10.11	10.10	9.78	9.60	9.60	9.36
Food and Kindred Products	9.73	9.69	9.53	9.24	9.22	9.12
Meat Products	8.84	9.01	8.40	8.51	8.66	8.13
Dairy Products	9.83	9.76	9.57	9.40	9.34	9.13
Textile Mill Products	7.77	7.88	7.13	7.54	7.66	6.94
Apparel and Other Fin. Prod.	6.25	6.10	6.27	6.12	5.99	6.15
Paper and Allied Products	11.89	11.99	11.38	11.25	11.37	10.85
Pulp and Paper Mills	12.56	12.72	11.99	11.87	12.09	11.42
Printing, Pub. and Allied Prod.	10.99	10.88	10.73	-	-	-
Chemicals and Allied Products	11.29	11.07	10.88	11.02	10.86	10.62
Rubber and Misc. Plastics Prod.	8.18	8.24	8.12	7.93	7.96	7.92
Leather and Leather Products	6.67	6.70	6.54	6.51	6.47	6.40

SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) APRIL	Average Weekly						Average Hourly Earnings				
	Earnings			Hours			Including O.T.			Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	\$393	\$395	\$380	40.5	40.7	40.1	9.70	9.70	9.48	-	-
Wisconsin	425	431	410	40.9	41.2	40.1	10.39	10.45	10.22	9.98	10.00
<i>Selected Areas</i>											
Appleton-Oshkosh (Calumet- Winnebago-Outagamie)	439	440	422	42.7	42.7	41.9	10.29	10.31	10.06	9.73	9.80
Beloit (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Eau Claire (Eau Claire-Chippewa)	412	411	432	39.6	39.7	42.1	10.40	10.36	10.27	10.10	10.16
Fond du Lac (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Green Bay (Brown County)	473	481	443	41.8	42.1	40.3	11.32	11.43	11.00	10.69	10.71
Janesville (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Janesville-Beloit (Rock County)	459	524	470	38.2	41.7	39.6	12.02	12.56	11.87	11.86	12.12
Kenosha (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
La Crosse (County)	369	372	353	39.2	40.3	38.6	9.42	9.23	9.15	9.16	8.91
Madison (Dane County)	398	407	379	40.3	40.9	40.6	9.88	9.94	9.33	9.56	9.52
Manitowoc (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Milwaukee (Milwaukee-Ozaukee- Waukesha-Washington)	472	477	463	40.7	40.9	40.4	11.59	11.66	11.47	11.05	11.07
Racine (County)	436	431	417	39.4	39.3	39.2	11.06	10.97	10.65	10.75	10.68
Sheboygan (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Wausau (Marathon County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA

INA - Information Not Available

EMPLOYMENT, MFG. (Unadjusted) APRIL	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,269.0	19,262.0	19,375.0	+0.0	-0.5
Wisconsin	512.3	509.7	506.8	0.5	1.1
<i>Selected Areas</i>					
Appleton-Oshkosh (Calumet- Winnebago-Outagamie)	49.8	49.2	47.9	1.2	4.0
Beloit (City)	5.2	5.2	5.6	0.0	-7.1
Eau Claire (Eau Claire-Chippewa)	9.4	9.3	9.3	1.1	1.1
Fond du Lac (County)	9.7	9.6	10.7	1.0	-9.3
Green Bay (Brown County)	23.3	23.2	22.8	0.4	2.2
Janesville (City)	10.9	10.5	10.9	3.8	0.0
Janesville-Beloit (Rock County)	17.9	17.5	18.2	2.3	-1.6
Kenosha (County)	11.1	11.4	14.4	-2.6	-22.9
La Crosse (County)	10.6	10.7	10.5	-0.9	1.0
Madison (Dane County)	20.4	20.5	20.2	-0.5	1.0
Manitowoc (County)	12.1	11.9	10.8	1.7	12.0
Milwaukee (Milwaukee-Ozaukee- Waukesha-Washington)	171.3	171.7	170.9	-0.2	0.2
Racine (County)	23.4	23.2	24.4	0.9	-4.1
Sheboygan (County)	17.8	17.9	18.1	-0.6	-1.7
Wausau (Marathon County)	10.8	10.7	10.9	0.9	-0.9

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert

Department of Revenue

The economic response to lower oil prices, interest rates and the dollar portends a much healthier overall economy throughout the remainder of this year and next. Recently revised estimates of first quarter performance put real GNP growth at 3.7%, a welcome resurgence from the anemic growth of 0.7% posted in the fourth quarter of last year. But because of persistent pockets of weakness, overall growth this year should remain short of a genuine boom. Real GNP growth is expected to be 2.8% for 1986, followed by 3.5% in 1987. It should be noted that inflation adjusted measures, such as real GNP, have been converted to 1982 dollars reflecting the National Income and Product Account rebenchmarking.

The sources of consumer spending strength are by now well known. Gasoline prices are in the \$0.90 to \$1.00 per gallon range, home loan rates for new buyers or for refinancing are near 10% and financing incentives make it a buyer's market for automobiles. The stock market has created new wealth to offset the drag of slowly rising payrolls. The housing sector has already surged in response to lower mortgage rates.

Business attitudes are not nearly so positive, however. Production has remained weak, and manufacturers reduced real inventory stock by more than 3% in each of the past two quarters. Retail stocks, meanwhile, were accumulating with car dealers responsible for 75% of the accumulation. Indeed, nearly all of the upward revision of the first quarter GNP estimate was due to higher than previously measured inventories. So in spite of renewed consumer optimism, real final sales have not yet turned around. The outlook for

business fixes investment is not a source of near-term strength. Uncertainty over the outcome of the federal tax reform debate may have accelerated some investment into 1985 at the expense of 1986. The outlook for business equipment investment for 1986 is thus only 1.7% growth over last year. Nonresidential construction is down, especially in commercial buildings and office space. Vacancy rates of up to 25% in some major cities indicate a large oversupply and declining rents. Retrenchment is thus in order. The forecast calls for a 1.7% decline in nonresidential construction this year followed by a 3.3% decline in 1987. But this forecast will remain clouded until the issue of tax reform is resolved.

Cutbacks in federal government spending will also reduce overall growth at the end of this year, either through the mechanism of Gramm-Rudman or a Congressional budget compromise. The Federal Reserve is not predisposed to counterbalance this fiscal restraint with additional monetary stimulus as long as credit is perceived as ample, and interest rates remain low.

The test for inflation expectations will come later this year after oil prices stabilize and work through the economy and the overall price indices more accurately reflect underlying price trends. A key factor in the longer-term inflation outlook is the price impact of the declining dollar. To reflect the rising value of the yen, mark and franc, foreign producers will increase the prices they charge to U.S. customers. Price mark-ups have already appeared on some imports, notably Japanese automobiles and consumer electronics items. The

significance of imports to the American consumer is much greater now than it was even three years ago. Between 1982 and 1985, the share held by foreign producers rose sharply. The oil price drop is a fortuitous event in that it bolsters the U.S. consumer's purchasing power, but it also masks the price trends of imports temporarily. While inflation is expected to remain quite low this year, 1.9% as measured by the CPI, it is likely to resume at a 3% rate next year. Prices for imports, however, are expected to increase 5% in 1987 over this year.

On balance, there is good cause to expect gradually accelerating economic growth in the U.S. economy from 2.8% this year to 3.5% in 1987. If consumer spending picks up later this year as expected, industrial production will then respond to increased domestic demand as well as increasing exports due to the declining dollar. Industrial production is projected to be weak this year, showing a gain of 1.1%, but rebound to 4.8% growth in 1987. Moderate employment growth is projected to result in a U.S. civilian unemployment rate of 6.9% this year and 6.4% in 1987.

The major conclusion from recent economic events is that the oil price drop along with declining interest rates has given renewed impetus to an economic expansion which has already surpassed the average post-war length. These fortuitous events have served to counter balance some of the weaknesses that caused the economy to languish during much of 1985. These weaknesses--the trade imbalance, federal deficit problems, low productivity and savings rates, and unrealistic asset valuations in the oil and agriculture sectors still exist, but have temporarily moved into

the background. These factors will influence longer-term prospects beyond 1987. Any indication of renewed inflation may be met with stringent credit policies from the Federal Reserve. But for now, the expansion should continue with little risk of recession through the end of 1987.

WISCONSIN OUTLOOK

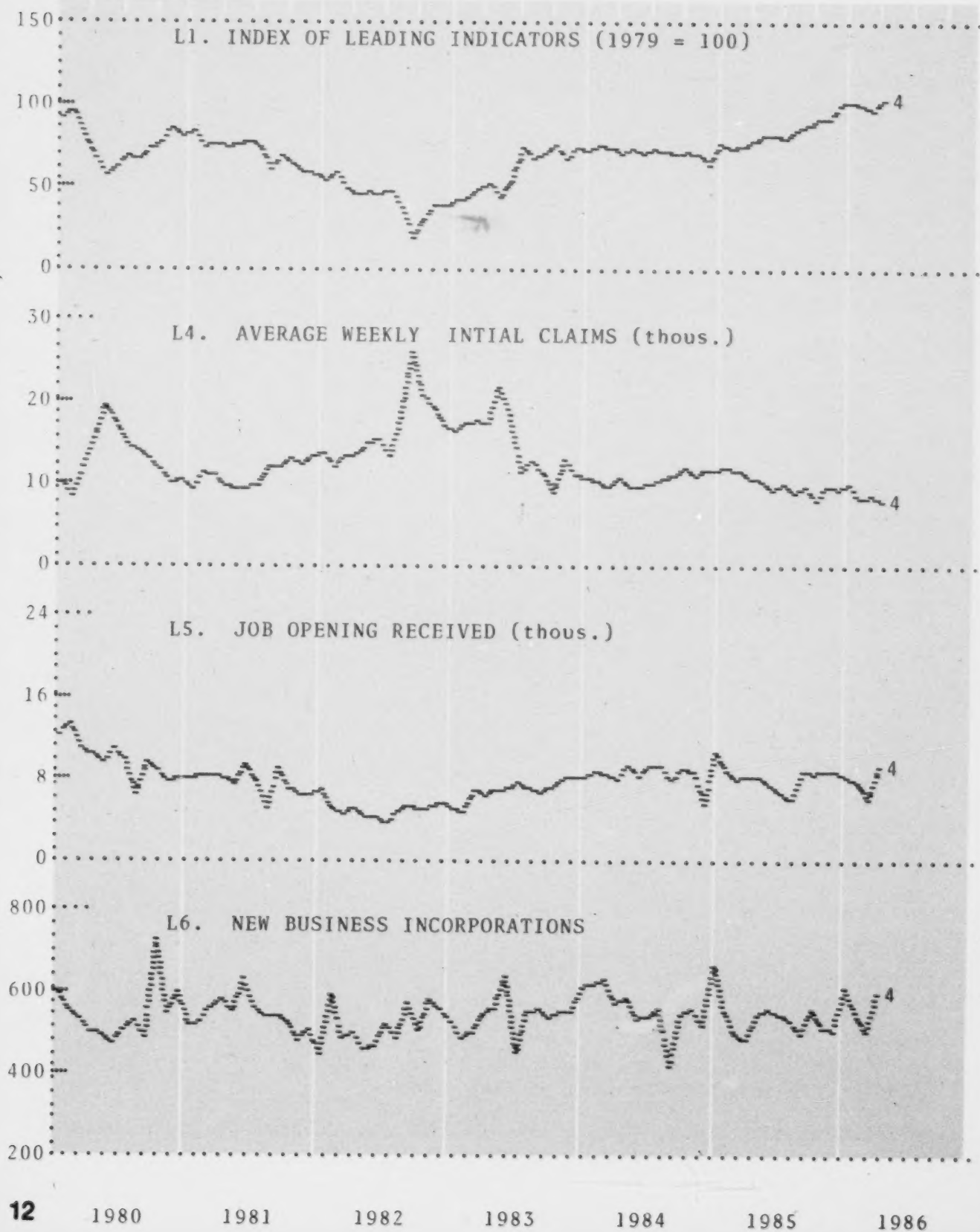
Recent national economic developments have positive implications for the Wisconsin economy. Oil prices seem to be settling in the \$15 to \$17 range. This price decline is a significant source of real disposable income for Wisconsin consumers. The economic dislocation associated with the oil price decline occurs almost entirely outside Wisconsin's borders. Although the value of the dollar is expected to stabilize this year, the significant decline already experienced should provide an opportunity for Wisconsin manufacturers to regain both domestic and foreign market share lost to foreign producers. Interest rates are another bright spot for the Wisconsin economy. After years of double-digit interest rates, current rates seem attractive and are likely to stimulate housing demand and durable goods purchases.

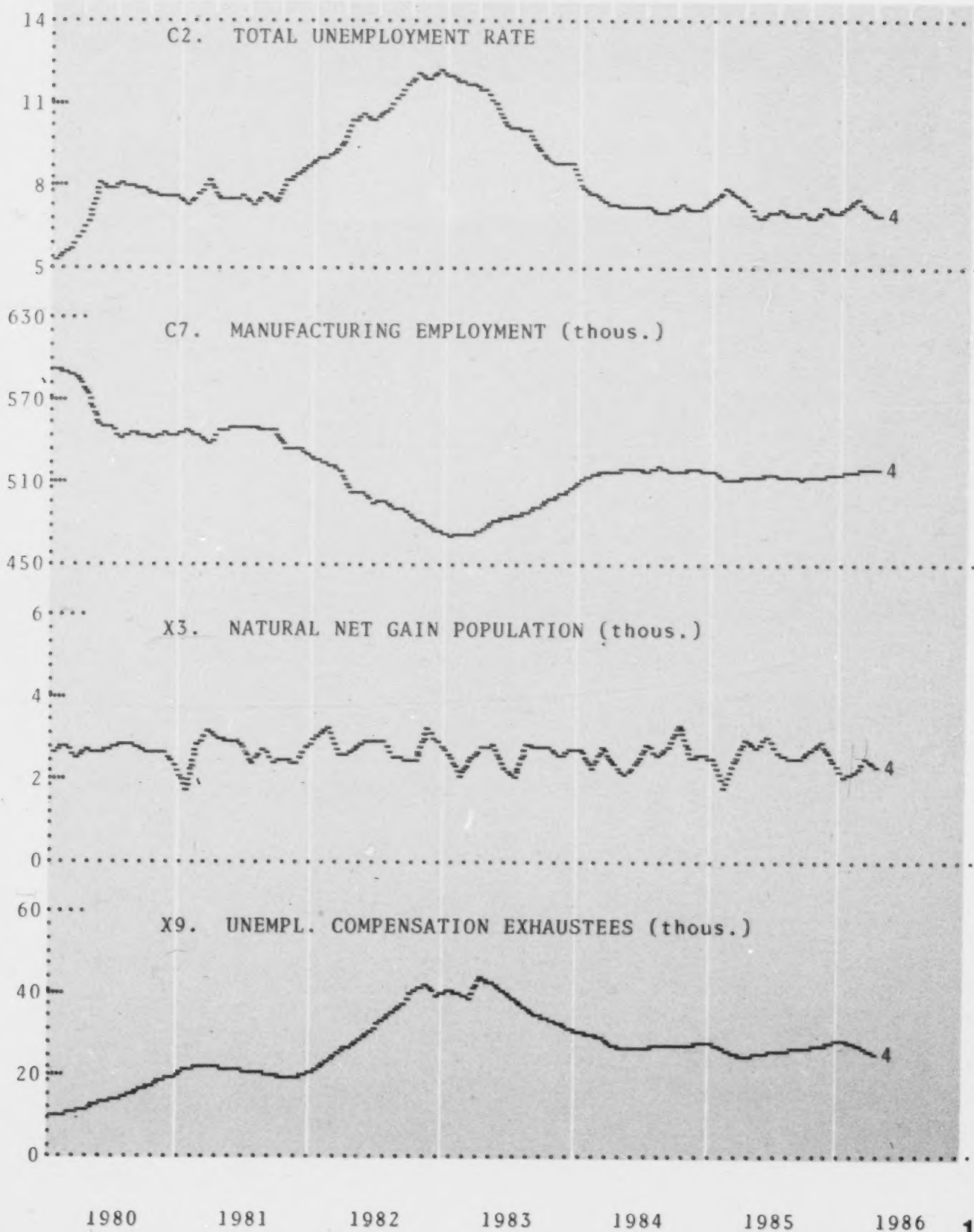
Rebenchmark revisions to Wisconsin nonfarm employment statistics show 1984 somewhat stronger than previously estimated and 1985 somewhat weaker. This underscores a pattern in the recent economic recovery in Wisconsin. During the early stages of the recovery in late 1983 and 1984, Wisconsin employment grew rapidly at about 4% annual rate. Then, in the first three quarters of 1985, the economy slowed, showing almost no employment growth. However, in the last quarter of 1985 and the first quarter of 1986, the Wisconsin economy has returned to healthy growth.

(Continued on back cover)

WISCONSIN EMPLOYMENT FORECAST
(Thousands of Workers, Annual Average)

	1983	1984	1985	1986	1987
MANUFACTURING	486.8	518.9	514.9	522.1	535.3
DURABLES	298.3	322.5	315.5	319.0	328.7
LUMBER PRODUCTS	20.2	22.4	22.6	24.6	25.5
STONE, CLAY, GLASS	7.8	8.1	7.8	8.6	9.0
PRIMARY METALS	17.6	19.9	19.3	18.8	19.2
FABRICATED METALS	48.6	51.9	51.4	52.6	55.6
NON-ELECT. MACHINERY	92.7	101.9	100.1	100.3	100.7
ELECTRICAL MACHINERY	49.1	52.1	50.2	50.1	52.7
TRANS. EQUIPMENT	33.3	35.3	32.8	31.9	33.0
OTHER DURABLES	29.0	30.9	31.4	32.1	32.9
NONDURABLES	188.4	196.5	199.4	203.0	206.7
FOOD PRODUCTS	61.7	62.2	62.5	61.9	61.6
PAPER PRODUCTS	46.7	47.6	48.1	49.3	51.2
PRINTING & PUBLISHING	33.6	36.6	38.2	39.5	40.9
CHEMICALS	9.3	9.7	10.0	10.0	10.3
RUBBER & PLASTICS	17.7	21.2	22.6	24.3	24.5
OTHER NONDURABLES	19.4	19.2	18.1	18.1	18.2
MINING	1.9	1.9	2.2	2.3	2.2
CONSTRUCTION	57.7	63.2	62.8	69.8	71.8
TRANS., COMM., UTILITIES	88.1	91.9	93.7	95.4	95.7
FINANCE, INSUR., REAL EST.	98.6	101.3	104.2	107.6	111.2
TRADE	433.3	452.8	462.5	474.7	489.6
SERVICES	388.6	404.4	415.2	430.9	449.7
GOVERNMENT	312.4	313.4	322.2	325.8	323.5
TOTAL EMPLOYMENT (Nonfarm)	1867.3	1947.8	1977.5	2028.5	2078.9

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(Continued from Page 10)

During the last two quarters, 41,000 jobs were created across nearly all major industry groups. For example, employment gains during this period included: 7,000 in manufacturing, 7,000 in construction, 9,000 in services, 7,000 in government, and 6,000 in trade.

Despite the good news on employment, Wisconsin income growth remains moderate. This is due primarily to the current low rate of inflation; although other influences are also important. Pressures for wage concessions, particularly among higher paid union employees continue to exist. Additionally, much of the employment growth continues to occur in the relatively low-paying trade and service sectors. Finally, lower interest rates, although a boon to the economy generally, do lower interest income, and thereby, restrain the growth in personal income. Recent economic events, such as the oil price decline, are very favorable for the economic well-being of Wisconsin residents. However, nominal personal income (not adjusted for inflation) reflects both higher real growth and lower inflation.

The current forecast for the Wisconsin

economy is generally positive. Nonfarm employment is expected to increase by 2.6% in 1986 and 2.5% in 1987. Manufacturing employment is expected to grow by 1.5% in 1986 and 2.5% in 1987, as Wisconsin employers realize gains from the lower dollar and lower interest rates. Trade and service employment should continue to grow at the fastest rates as increases in consumer purchasing power stimulate tourism and consumer spending in general. Employment in trade is forecast to grow by 2.6% in 1986 and 3.1% in 1987. Service employment is projected to increase by 3.8% in 1986 and 4.4% in 1987.

Wisconsin personal income is forecast to increase by 4.9% in 1986 and 5.5% in 1987. These rates are very similar to those previously forecast. These relatively modest rates of income growth reflect the impact of a low rate of inflation on nominal wage increases. The forecast also calls for weak growth in interest income due to the decline in interest rates. Low growth rates in transfer payments are also expected due to the combined effects of low inflation, declining unemployment, and the impact of reductions in federal government spending.